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No. 94-1099

In the Supreme Court of the United States

OCTOBER TERM, 1994

CPC INTERNATIONAL INC.
Petitioner,

v.

ARCHER DANIELS MIDLAND COMPANY,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

REPLY BRIEF IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI

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35 U.S.C. § 117 (1988) 6 n.6

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2 Donald S. Chisum, *Patents* § 7.05[1],
at 7-120 (1994 ed.) 6 n.6

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CPC's petition showed that this case presents an important question of statutory interpretation:

> Whether 35 U.S.C. § 112 requires disclosure of "best mode" information *not* known to the inventor but known to his corporate assignee.

CPC also showed that the answer given by the courts below conflicts with the decision of the Federal Circuit in *Texas Instruments Inc. v. U.S.I.T.C.*, 871 F.2d 1054 (Fed. Cir. 1989).

ADM's response does not dispute either the importance of the question or the fact that the *Texas Instruments* court answered it with a flat "no." Instead, ADM tries to persuade this Court that the courts below did not answer the legal question with a flat "yes" (as they appeared to do), and that this case turns on factual disputes that do not merit this Court's attention. But ADM's argument rests on repeated misstatement of what the courts below found as fact, coupled with barely disguised reargument of factual issues it lost in the district court. This Court should ignore ADM's attempts to confuse the issue and should take up this case to resolve the important legal issue it squarely presents.

1. The district court made two findings of fact that forced it, and the court of appeals, to decide the question of statutory interpretation. First, rejecting ADM's contentions, the district court found that Edwards was the only inventor of the "Edwards invention" and that the invention was completed before the Swenson "scale-up" work looking toward commercialization:

> Froehlich and Wolf [who performed the Swenson work] did not participate in the conception of Edwards' invention, nor could they claim to have previously conceived the subject matter of the patent. Rather, their contribution to the work was in demonstrating how Edwards' invention could be implemented. It was in making that contribution that they discovered a conceptual error in Edwards' *description* of his invention. That was not a discovery worthy of inventorship . . . .

App. 42a-43a (emphasis added). Second, rejecting another vigorous ADM contention, the district court found no evidence that the scale-up work was known to the inventor, Edwards:

> There is no evidence to suggest that Edwards . . . was even aware of the Swenson work.

App. 38a. These findings, which were not disturbed by the court of appeals, meant that the district court had to decide the purely legal question whether the statute requires disclosure of information not known to the inventor. It did decide that question (App. 37a-41a), wrongly, and the court of appeals affirmed without opinion under its Rule 36.[1]

2. ADM argues that the legal question is not actually presented in this case, but its argument is based on repeated misstatement of what the district court found. First, ADM argues, as it did to the district court, that the "Edwards invention" depended on the Swenson work. ADM says this over and over, at one point (ADM Br. 10) even asserting that "none of [Edwards'] work was the basis" for the invention. *See* ADM Br. 9 (Swenson process was "the antithesis of [Edwards'] work"); *id.* at 23.[2] But the district court rejected this contention (App.

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[1] As noted in the petition (Pet. 6 & n.2), the court of appeals necessarily decided that the district court's statutory interpretation was correct. It would in some cases be theoretically possible for a court of appeals to reject a district court's interpretation of a statute, and also reject its findings of fact as clearly erroneous, and then affirm the district court's decision on the ground that the errors cancel out and the right result was reached. But that cannot have happened here: Federal Circuit Rule 36 does not permit the court of appeals to affirm under that rule on the ground that a district court's findings were *wrong*.

[2] *See also id.* at 4 ("[T]he claimed invention was based on the work of another person instead of [Edwards'] own work."); 14 ("[T]he Swenson work which was not disclosed in Edwards' patent formed the very basis for the claimed invention . . . ."); 15 ("The undisclosed Swenson work showed that Edwards' conclusion from his laboratory work was wrong and the Swenson work became the essence of the invention claimed in Edwards' patent."); 19 ("[T]he claims had been changed to redefine the invention . . . ."); 23 ("CPC tries to create a

42a-43a) and repetition does not make it any less incorrect.[3] Second, ADM says, over and over, that Edwards, the inventor, in fact knew of the best mode developed through the Swenson work and actively attempted to conceal it. ADM Br. 3, 4, 10, 19, 23, 24, 27, 28. Again, the district court found that precisely the opposite was true. App. 38a.

The wisp of smoke on which all these ADM assertions rest is the fact that Edwards, working with a 10-gallon vessel, initially recommended a 60 cm./sec. maximum "tip" speed, while the application he signed, which was completed after the Swenson work on larger vessels, suggested a tip speed range up to 600 cm./sec. But those facts do not alter either of the district court's critical findings -- that Edwards was the sole inventor and that he did not know of the Swenson work.

The "invention" was the discovery that there is a degree of *agitation* of the mixture that provides a surface reaction controlled crystallization to permit the continuous crystallization of sugar; that discovery was reduced to practice in a ten-gallon vessel. Everyone concerned, including Edwards, knew the "obvious" (App. 28a) fact that it would take a higher tip speed to achieve the same degree of agitation in a larger vessel -- for the same reason it would take a higher tip speed to achieve the same

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legal issue regarding interpretation of the language of Section 112 . . . . based on the false premises that the Swenson work 'was not part of the invention.'").

[3] The district court also rejected the basis for respondent's argument that Edwards and CPC employees Froehlich and Carrell violated the duty of good faith and candor under 37 C.F.R. § 1.56(a): "[T]he Court finds ADM has failed to identify a sufficient factual basis to warrant declaring the patent invalid based on alleged misrepresentations [or omissions] to the Patent Office." App. 44a.

agitation of water in a bathtub than in a drinking glass.[4] ADM asserts over and over that working out those higher speeds for larger vessels was part of the invention, but the district court expressly found to the contrary. App. 42a-43a. This "scale up" information was merely best mode information, and the issue is whether it had to be disclosed even though it was not known to Edwards.[5]

In sum, ADM's central contention (ADM Br. 14) -- that "[t]his is not a case where a corporate assignee conducts additional commercialization work after an invention is made . . . . To the contrary, the Swenson work is at the heart of the claimed invention" -- is contrary to the district court's findings and wrong. The work at issue was indeed "commercialization work," done by other persons after the

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[4] The district court put it this way (App. 28a):

> CPC [*i.e.*, the patent application] had described the invention as a finding that there was an optimal level of agitation. It offered Edwards' work as an example to illustrate the invention in a particular vessel. . . .
>
> It is obvious from reading the application (and would have been obvious to one skilled in the art) that this optimal tip speed would vary according to changes in the shape and size of the vessel and in the shape and size of the agitator blade.

[5] The fact that the patent application set forth a range of tip speeds up to 600 cm./sec. does not mean either that the Swenson work was part of the invention or that it was known to Edwards. The invention was complete when Edwards reduced to practice the discovery of a workable degree of agitation in a ten-gallon vessel; the sole effect of including the tip speed range up to 600 cm./sec. in the description set forth in the application (which was, as the district court suggested, App. 29a, a conceptual error) was to *limit* the claimed invention. *See* App. 29a-30a. And Edwards lawfully could, and did, accept the suggestion that his application should set forth a particular range without knowing of the work of others that underlay the suggestion.

inventor had completed his invention, and Section 112 imposed no obligation to disclose it.

3. ADM admits (ADM Br. 18) that the Federal Circuit held in *Texas Instruments* that Section 112 requires disclosure only of the inventor's own "best mode" knowledge, not that of his assignee or even someone who helps him prepare his patent application. ADM's attempt to distinguish that case rests solely on its rejected contention that Edwards knew of the Swenson work.

ADM also argues that this case "reaffirms" Federal Circuit precedent that "an inventor *and his agents* who work on the patent application must disclose the best mode known to them of practicing the claimed invention." ADM Br. 17 (emphasis added). But even if the authorities it cites for that proposition supported it,[6] ADM does not explain how such precedent can be reconciled with *Texas Instruments* or the language of Section 112.

The language of Section 112 is perfectly clear. The phrase "best mode contemplated by the inventor" in

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[6] As examples of such precedent, respondent cites *Northern Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 940 (Fed. Cir.), *cert. denied*, 498 U.S. 920 (1990) and *Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1537 (Fed. Cir.), *cert. denied*, 484 U.S. 954 (1987). ADM Br. 21. However, it is not clear from the facts of either case that the inventors were unaware of the undisclosed best mode information developed by their corporate employers.

Respondent also cites 2 Donald S. Chisum, *Patents* § 7.05[1], at 7-120 (1994 ed.) for the proposition that an "assignee with [the] right to apply for [a] patent must disclose best mode." *Id.* As the petition explained, however, a corporate employer-assignee such as CPC does not have the right to apply for a patent unless the inventor is dead, cannot be found or refuses to execute the patent application. Pet. 8 n.4 (quoting 35 U.S.C. §§ 111, 117 & 118). That was not the case in this matter or in any of the decisions cited by respondent.

Section 112 does not by definition or implication require disclosure of information not known to the natural person "inventor." ADM does not argue that it does. The decision below in this case defies this plain language and conflicts with the Federal Circuit's holding in *Texas Instruments*. Most important, it sows doubt about the validity of patents in the common situation in which a corporate employer does further work looking toward commercialization after an employee has completed and assigned an invention.

For the foregoing reasons and those stated in the petition, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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